

Jefferson Gas, LLC
220 Lexington Green, Bldg 2, Suite 130
P.O. Box 24032
Lexington, KY 40524-4032
Tele (859) 245-8193

September 27, 2007

Ms. Beth O'Donnell
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Jefferson Gas, LLC
Case No.
GCR Filing Proposed to Become
Effective November 1, 2007

RECEIVED

SEP 27 2007

PUBLIC SERVICE
COMMISSION

2007-422

Dear Ms. O'Donnell:

Enclosed are an original and five copies of Jefferson Gas Transmission's Gas Cost Recovery (GCR) filing for rates proposed to become effective November 1, 2007. Also included are an original and five copies of 28th revised sheet No. 1 of Jefferson's PSC Kentucky No. 1 Tariff, which is being filed pursuant to the Purchased Gas Adjustment provision of that Tariff.

This filing proposes a GCR rate of \$6.2851 per MCF of sales.

Sincerely,



Bert R. Layne

Jefferson Gas, LLC

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: September 27, 2007

Date Rates to be Effective: November 1, 2007

Reporting Period is Calendar Quarter Ended: January 31, 2008

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Component</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf | 6.1368 |
| + Refund Adjustment (RA) | \$/Mcf | |
| + Actual Adjustment (AA) | \$/Mcf | .1483 |
| + Balance Adjustment (BA) | \$/Mcf | |
| = Gas Cost Recovery Rate (GCR) | | <u>6.2851</u> |

GCR to be effective for service rendered from November 1, 2007 to January 31, 2008

| A. | <u>EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|---|-------------|---------------|
| | Total Expected Gas Cost (Schedule II) | \$ | |
| ÷ | Sales for the 12 months ended _____ | Mcf | |
| = | Expected Gas Cost (EGC) | \$/Mcf | |
| B. | <u>REFUND ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Supplier Refund Adjustment for Reporting Period (Sch.III) | | |
| + | Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| + | Second Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| + | Third Previous Quarter Supplier Refund Adjustment | \$/Mcf | |
| = | Refund Adjustment (RA) | \$/Mcf | |
| C. | <u>ACTUAL ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Actual Adjustment for the Reporting Period (Schedule IV) | \$/Mcf | (.0018) |
| + | Previous Quarter Reported Actual Adjustment | \$/Mcf | .3415 |
| + | Second Previous Quarter Reported Actual Adjustment | \$/Mcf | (.1627) |
| + | Third Previous Quarter Reported Actual Adjustment | \$/Mcf | (.0287) |
| = | Actual Adjustment (AA) | \$/Mcf | <u>.1483</u> |
| D. | <u>BALANCE ADJUSTMENT CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
| | Balance Adjustment for the Reporting Period (Schedule V) | \$/Mcf | |
| + | Previous Quarter Reported Balance Adjustment | \$/Mcf | |
| + | Second Previous Quarter Reported Balance Adjustment | \$/Mcf | |
| + | Third Previous Quarter Reported Balance Adjustment | \$/Mcf | |
| = | Balance Adjustment (BA) | | |

SCHEDULE II
EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended _____

| (1) Supplier | (2) Dth | (3) BTU Conversion Factor | (4) Mcf | (5)** Rate | (6) (4) X (5) Cost |
|-----------------|------------|---------------------------------|------------|---------------|--------------------------|
|-----------------|------------|---------------------------------|------------|---------------|--------------------------|

Totals _____

Line loss for 12 months ended _____ is _____ % based on purchases of
_____ Mcf and sales of _____ Mcf.

| | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Expected Cost of Purchases (6) | \$ | _____ |
| ÷ Mcf Purchases (4) | Mcf | _____ |
| = Average Expected Cost Per Mcf Purchased | \$/Mcf | _____ |
| x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95) | Mcf | _____ |
| = Total Expected Gas Cost (to Schedule IA) | \$ | _____ |

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

\$6.1368 Per Attached Schedule



Natural Gas

Physical Financial **miNY™ Futures** Options NYMEX ClearPort®

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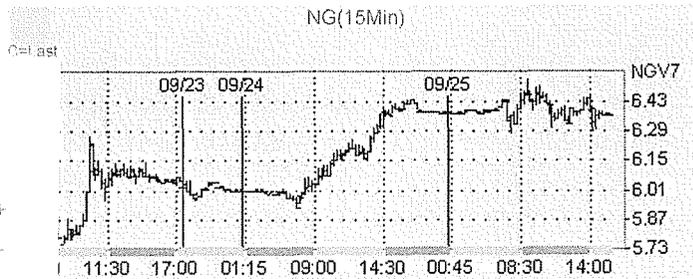
- Market Data**
- Current Session Overview
- Current Expanded Table
- Previous Session Overview
- Previous Expanded Table
- Squawk Box
- Contract Detail**
- Description
- Specifications
- Margins
- Termination Schedule
- Request for Information

9/25/2007 Session Overview

| | Last | Open High | Open Low | High | Low | Most Recent Settle | Change |
|----------|-------|-----------|----------|-------|-------|--------------------|--------|
| Oct 2007 | 6.341 | 6.460 | 6.450 | 6.530 | 6.273 | 6.360s | -0.019 |
| Nov 2007 | 7.067 | 7.215 | 7.210 | 7.255 | 7.032 | 7.087s | -0.020 |
| Dec 2007 | 7.765 | 7.935 | 7.920 | 7.950 | 7.757 | 7.787s | -0.022 |
| Jan 2008 | 8.133 | n/a | 8.279 | 8.310 | 8.087 | 8.139s | -0.006 |
| Feb 2008 | 8.160 | n/a | 8.300 | 8.330 | 8.120 | 8.167s | -0.007 |
| Mar 2008 | 7.981 | n/a | 8.133 | 8.133 | 7.945 | 7.989s | -0.008 |

View all contract months, volume, and open interest
 View real-time market data and charts

15 Minute Intraday Chart (Delayed Data)



Margins

| | |
|---|------------------|
| Non-Member Customer Initial | Tier 1: \$10,125 |
| Member Customer Initial | Tier 1: \$8,250 |
| Clearing Member and Customer Maintenance | Tier 1: \$7,500 |

Quotes - V7

| | |
|---------------------------|--------|
| Last | 6.341 |
| Change | -0.02 |
| Previous | 6.341 |
| Most recent settle | 6.360s |
| High | 6.530 |
| Open Interest | 30650 |
| Low | 6.273 |
| Volume | 59847 |

7.0870 +
 7.7870 -
 8.1390 +
 23.0130 *
 23.0130 ÷
 3.0000 =
 7.6710 +
 7.6710 *
 7.6710 x
 0.8000 =
 6.1368 +
 6.1368 *

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SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____

| <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total supplier refunds received | \$ | |
| + Interest | \$ | |
| <hr/> | | <hr/> |
| = Refund Adjustment including interest | \$ | |
| ÷ Sales for 12 months ended | Mcf | |
| <hr/> | | <hr/> |
| = Supplier Refund Adjustment for the Reporting Period (to Schedule IB.) | \$/Mcf | |

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended

July 31, 2007

| <u>Particulars</u> | <u>Unit</u> | <u>Month 1 (May 07)</u> | <u>Month 2 (Jun 07)</u> | <u>Month 3 (Jul 07)</u> |
|---|-------------|-----------------------------|-----------------------------|-----------------------------|
| Total Supply Volumes Purchased | Mcf | 729 | 431 | 350 |
| Total Cost of Volumes Purchased | \$ | 4,694.76 | 2,745.47 | 1,890.00 |
| ÷ Total Sales (may not be less than 95% of supply volumes) | Mcf | 729 | 431 | 350 |
| = Unit Cost of Gas | \$/Mcf | 6.440 | 6.370 | 5.400 |
| - EGC in effect for month | \$/Mcf | 6.205 | 6.205 | 6.205 |
| = Difference [(over-)/Under-Recovery] | \$/Mcf | 0.235 | 0.165 | (0.805) |
| x Actual sales during month | Mcf | 729 | 431 | 350 |
| = Monthly cost difference | \$ | 171.32 | 71.12 | (281.75) |

| | <u>Unit</u> | <u>Amount</u> |
|--|-------------|---------------|
| Total cost difference (Month 1 + Month 2 + Month 3) | \$ | (39.31) |
| ÷ Sales for 12 months ended June 30, 2007 | Mcf | 22,344 |
| = Actual Adjustment for the Reporting Period (to Schedule IC.) | \$/Mcf | (.0018) |

Jefferson Gas, LLC

MCFs Sold Last 12 Months

| | |
|----------|-------|
| 07/31/06 | 292 |
| 08/31/06 | 389 |
| 09/30/06 | 381 |
| 10/31/06 | 1,271 |
| 11/30/06 | 2,676 |
| 12/31/06 | 3,121 |
| 01/31/07 | 3,930 |
| 02/28/07 | 4,890 |
| 03/31/07 | 2,373 |
| 04/30/07 | 1,861 |
| 05/31/07 | 729 |
| 06/30/07 | 431 |

22,344

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period) _____

| | <u>Particulars</u> | <u>Unit</u> | <u>Amount</u> |
|-----|--|-------------|---------------|
| (1) | Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | _____ |
| | Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect. | \$ | _____ |
| | Equals: Balance Adjustment for the AA. | \$ | _____ |
| (2) | Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR. | \$ | _____ |
| | Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect. | \$ | _____ |
| | Equals: Balance Adjustment for the RA | \$ | _____ |
| (3) | Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR | \$ | _____ |
| | Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect. | \$ | _____ |
| | Equals: Balance Adjustment for the BA. | \$ | _____ |
| | Total Balance Adjustment Amount (1) + (2) + (3) | \$ | _____ |
| ÷ | Sales for 12 months ended _____ | Mcf | _____ |
| = | Balance Adjustment for the Reporting Period (to Schedule ID.) | \$/Mcf | _____ |

Entire Service Area
 FOR _____
 Community, Town or City
 1
 P.S.C. KY. NO. _____
 28th Revised SHEET NO. 1
 CANCELLING P.S.C. KY. NO. _____
 27th Revised SHEET NO. 1

Jefferson Gas, LLC

 (Name of Utility)

RATES AND CHARGES

Applies to: All Customers

Rate, Monthly:

| | | | Base Rate | Gas Cost | Rate per Unit (Mcf) |
|----------|------------|--------------|--------------|-------------|------------------------|
| First | 0 to 1 Mcf | Minimum Bill | 3.8900 | 6.2851 | 10.1751 |
| All Over | 1 Mcf | | 2.2600 | 6.2851 | 8.5451 |

DATE OF ISSUE September 27, 2007
Month / Date / Year
 DATE EFFECTIVE November 1, 2007
Month / Date / Year
 ISSUED BY Bert R. Layne
(Signature of Officer)
 TITLE Treasurer

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
 IN CASE NO. _____ DATED _____